

COMMITTEE ON LANDS AND BUILDINGS

May 21, 2002

5:00 PM

Chairman Thibault called the meeting to order.

The Clerk called the roll.

Present: Aldermen Thibault, Gatsas, Pinard, DeVries, and Garrity

Messrs: P. Martineau

Chairman Thibault addressed Item 3 of the agenda:

Communication from Welfare Commissioner Martineau seeking approval to enter into short-term lease agreements between the City and Bridgerock Properties, LLC for the Welfare Department and Office of Youth Services located at 50 Bridge Street.

Chairman Thibault stated I think for tonight we are just going to take up this item and then we will have another Lands & Buildings meeting tomorrow night. We would like to get the Welfare Commissioner going on this thing and find out what your input might be.

Alderman DeVries stated could you just tell me if the lease agreement before us is an increase or a decrease over past years.

Commissioner Martineau replied it is an increase.

Alderman DeVries asked substantial, minor... obviously we are going month to month and with that would go some sort of an increase.

Commissioner Martineau answered what they have done is they have done a lot of common area improvements in that building and I am sure that if we were going to have a long-term lease they would also do improvements to our particular office, however, they are holding off on that. I think we were paying before about \$5,500. This goes up to about \$6,445 or something like that. There is a premium that we are paying because we are on a month-to-month basis; however, if we were to have a long-term lease we would get a credit of that \$425 that is a premium for those six months.

Alderman DeVries asked so if you were to execute a long-term lease what.

Commissioner Martineau answered I don't know if they provided the lease for you but...

Alderman DeVries interjected the credit at the end.

Commissioner Martineau replied yes. In other words it indicates in there...first of all they kept the same square footage. The new company that purchased the building that was doing the common area improvements basically they are charging us for like 5,500 square feet where in essence we really should be charged for 5,952. So they kept it at the old square footage. If we were to have a long-term lease they would include that 15% plus the fact they would give us a credit of about \$425, which would be broken down to \$289 for us and \$126 I believe for the Office of Youth Services assuming that we are not moving.

Alderman DeVries asked if I read the termination where it is addressing the parties agree that they be given a credit of, on the first line, \$289 a month it appears to me that has more to do with the improvements, not a stipulation to be a long-term lease.

Commissioner Martineau answered you would get a credit either toward tenant improvements or rental credit but if we were to go on a long-term lease we obviously would want them to make improvements without them charging us because they are doing the rest of the building.

Alderman Gatsas asked how many square feet do you have on the Welfare side.

Commissioner Martineau answered about 3,700 I believe.

Alderman Gatsas stated so the rate is about \$15.20/square foot.

Commissioner Martineau replied about \$15/square feet is what it breaks down to roughly.

Alderman Gatsas asked what does that include. Is that triple net? Are you getting heat and electricity?

Commissioner Martineau answered basically we pay for our own heat.

Alderman Gatsas asked electricity. Do you pay for your own?

Commissioner Martineau answered yes and so doesn't OYS.

Chairman Thibault stated Commissioner I am wondering if you could tell us in an approximate way what the Welfare Department had to pay last year to house people and how you feel this is going to save you money. Can you do that?

Commissioner Martineau replied first of all this is a lease for where we presently have our office space. I didn't volunteer for this. The lease was expiring and I did it for our office and OYS. What you have to realize is that basically here we are...our lease expires April 30 and we are dealing with a new company. They wanted us to go into a long-term lease of three years and because of the possible impending move we were told to get a month to month lease. Initially they wanted 150% of the base rate. We got them to negotiate down to this figure here, which is what they were going to charge us on a six-year lease with a small premium added. I think we came out pretty well because they had all the cards. We had no way to go to them and say if you don't agree to what we say we are going to go someplace else.

Alderman DeVries asked can you tell us how long it would take you to facilitate a move should other quarters become available to you.

Commissioner Martineau answered if you look at the lease we guarantee them that we will be there at least six months assuming that if things transpire where we will be moving it is not going to be eminent based on talking with Mr. Taylor and Deputy Solicitor Arnold. The other thing is there will probably be a two-month or a set-up as far as subdividing if we do make a move so that we can give them a 60-day notice. So the max we would be there would be six months but we are allowed to go beyond that depending on when the premises would be ready.

Alderman DeVries asked and you feel that...what kind of notice do you need to facilitate a move. Can you do that within two months, four months?

Commissioner Martineau answered I would imagine that we could...if the premises were ready we would be able to make a move. We have to be there basically for six months. That is why we were able to effect some savings.

Alderman Gatsas asked the rent that they suggested to you for a long-term lease was how much.

Commissioner Martineau answered initially the letter that we sent them was \$6,448 per month.

Alderman Gatsas asked that is including the two spots though, right.

Commissioner Martineau answered that would be OYS and us.

Alderman Gatsas asked let's just deal with you. Is there one that separates them?

Commissioner Martineau answered it would have broken down...we would have had like 68% and they would have had like 31% on the cost on that. Under the new lease, we are paying \$4,687 and OYS is paying \$2,187.

Alderman Gatsas asked so you have some 3,700 square feet and Youth Services has how much.

Commissioner Martineau answered about 1,750.

Alderman Gatsas asked and what did they suggest that your rate would be instead of the \$4,687.50. Would it be less for a long-term lease?

Commissioner Martineau answered yes. It would be a little bit less than the \$4,687.

Alderman Gatsas asked is it less than \$289 per month.

Commissioner Martineau answered yes. It would be like \$4,200+.

Alderman Gatsas asked \$4,398.50. Does that sound right?

Commissioner Martineau answered that sounds good.

Alderman Gatsas moved to recess this meeting so that they can give the Commissioner a go ahead for a long-term lease or a short-term lease because if things don't come through on Elm Street that the consolidation is going to happen there then he may be better off looking at negotiating a long-term lease.

Commissioner Martineau replied if we ended up negotiating a long-term lease we would get a credit for that overpayment.

Alderman Gatsas asked so what you are saying is that you would like to see this go forward the way it is.

Commissioner Martineau answered yes and I am not going to be signing it, the Mayor is going to sign the lease. I just got caught doing the negotiation. What you have to remember is it is a case of here we are, the lease is expiring and we have no place to move so we were kind of in a bind. Initially I think they wanted

\$17/square foot and through negotiations we got them down to this where they would give us a credit and so forth.

On motion of Alderman Gatsas, duly seconded by Alderman Pinard, it was voted to authorize the Mayor to execute the lease agreements subject to the review and approval of the City Solicitor.

There being no further business, on motion of Alderman Garrity, duly seconded by Alderman DeVries, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee